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Report Highlights:

Post forecasts a fall in rice production due to unfavorable rainfall situation and unstable political situation. Rice consumption increased in 2001 and is expected to increase in 2002 due to the rising population, its availability and relatively low price. Rice imports increased in 2001 and expected to continue to increase in 2002 due to the unstable political situation which is adversely affecting the domestic food supply. The U.S. exports of brown rice in 2002 were all on commercial sale and estimated at 21,000 MT.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Abidjan [IV1], IV

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Executive Summary

Post forecasts a fall in rice production due to unfavorable rainfall situation and unstable political situation. Field travel in mid-September indicated that crop harvest has started and interviews with farmers, millers and traders revealed that production will be lower than last year. Piles of paddy normally seen dried along the major roads at this time of the year were reduced. Marketing activities have slowed due to the political upheaval. Since the beginning of hostilities on September 19, 2002, mutiny soldiers control the northern part of Cote d'Ivoire thus paralyzing all economic activities. In southern Cote d'Ivoire, farmers, traders and transportation owners are all wary of the security situation and have restrained their movement. Even before the political turmoil, local rice marketing activities were timid due to insufficient paddy supply upcountry.

Rice consumption increased in 2001 and is expected to continue to increase in 2002 due to the rising population, its availability, and relatively low price. Rice has gradually become a national staple supplanting traditional foodstuffs such as cassava, plantain, yams and cocoyams which are seasonal and are always scarce during the off-season, usually the first half of the year. In 2001, low performance of traditional foodstuffs caused imported rice to account for over 50 percent of domestic consumption. In 2002, the proportion of imported rice in domestic consumption is expected to be higher due to expected production fall and the unstable political situation.

Rice imports increased in 2001 and are expected to continue to increase in 2002 due to the unstable political situation which is adversely affecting the supply of domestic foodstuffs. Imports for the first six months were 261,141 MT compared to 296,619 MT for the same period in 2001. Rice exports increased in 2001 and were 4,607 MT. Exports are estimated to fall in 2002 due to reduced local supply and the unstable political situation. Exports for the first 7 months in 2002 were 2,566 MT compared to 2,903 MT for the same period in 2001.

Asian rice continues to dominate the Ivorian market due to its competitive price. In 2001 and 2002, Thailand has become the largest supplier. The U.S. exports of brown rice in 2002 were all commercial sales and estimated at 21,000 MT. U.S. rice sales in 2003 are expected to increase due to the expected shortage in domestic food supply. Moreover, sales continue to be facilitated under the Supplier Credit Guarantee Program (SCGP).

Cote d'Ivoire is one of the seven West African countries chosen for the New Rice for Africa Initiative (NERICA) pilot project. NERICA is a new rice variety developed by WARDA (West Africa Rice Development Association) based on crosses between African rice (*Oryza glaberrima*) and Asian rice (*Oryza sativa*). Cote d'Ivoire produced 416 MT of nerica rice in 2001 and is expected to produce about 8,000 MT in 2002.

Exchange Rate: U.S. \$1.00 = 657 F CFA on October 10, 2002.

PSD Table						
Country	Cote d'Ivoire					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Harvested	580	580	600	600	600	500
Beginning Stocks	218	87	234	69	289	143
Milled Production	570	570	580	580	580	450
Rough Production	1036	1036	1055	1055	1055	818
MILLING RATE (.9999)	5500	5500	5500	5500	5500	5500
TOTAL Imports	496	518	600	618	625	700
Jan-Dec Imports	654	441	575	641	600	650
Jan-Dec Import U.S.	17	27	0	14	0	25
TOTAL SUPPLY	1284	1175	1414	1267	1494	1293
TOTAL Exports	0	1	0	4	0	2
Jan-Dec Exports	0	1	0	5	0	3
TOTAL Dom. Consumption	1050	1105	1125	1120	1175	1220
Ending Stocks	234	69	289	143	319	71
TOTAL DISTRIBUTION	1284	1175	1414	1267	1494	1293

Production

Post forecasts a fall in rice production due to unfavorable rainfall situation and unstable political situation. The rainfall started in mid-April and prompted seed planting. However, in May, the rains became irregular and drought conditions adversely affected crop development in most upland rice producing areas. While in many lowland rice producing areas, heavy rains inundated rice fields and since most of those areas are undeveloped and poorly drained, crop development was stifled. The unstable political situation is adversely affecting rice production. Between 30-40 percent of rice producing areas are under mutiny soldiers' control. This action resulted in farm activities to slow down considerably in northern Cote d'Ivoire as migrant workers are fleeing back to their countries. While in southern Cote d'Ivoire, farm workers of foreign origins are going into hiding for fear of reprisal.

Field travel in mid-September indicated that crop harvest has started and interviews with farmers, millers and traders revealed that production will be lower than last year. The level of piles of paddy normally seen drying along the major roads at this time of the year were reduced. Some of the mills

remained close because of unavailability of paddy for milling. Harvested crop is three and four month cycle rice. Six month cycle crop is small and not yet ready for harvest.

Marketing activities have slowed due to the political upheaval. In southern Cote d'Ivoire, farmers, traders and transportation owners are wary of the security situation and have restricted their movement. The north of Cote d'Ivoire is controlled by mutiny soldiers, and economic activities are generally stalled. Even before the advent of the political turmoil, local rice marketing activities were timid due to insufficient paddy supply upcountry. Paddy was sold at 80-90 F CFA/kg at farm gate and 100-110 F CFA/kg at rice mills. Milled rice varied between 215 and 250 F CFA/kg at mills. Comparative paddy prices for the same period in 2001 were 55-65 F CFA/kg at farm gate and 75-85 F CFA/kg at the mills. Milled rice was sold at 180-225 F CFA/kg at the mills.

Consumption

Rice consumption increased in 2001 and is expected to continue to increase in 2002 due to the rising population, its availability, and relatively low price. Rice has gradually become a national staple supplanting traditional foodstuffs such as cassava, plantain, yams and cocoyams which are seasonal and are always scarce at the off-season, usually the first half of the year. While rice retail prices are relatively stable throughout the year, those for traditional foodstuffs escalate during the lean season becoming unaffordable to the greater proportion of population.

In 2001, low performance of traditional foodstuffs caused imported rice to account for over 50 percent of domestic consumption. In 2002, the proportion of imported rice in domestic consumption is expected to be higher due to expected production fall and the unstable political situation. In 2001, 16-35 percent broken rice accounted for 67.6 percent of consumption, a fall from the 2000 level of 72 percent. In previous years, some traders polished and re-packaged the 16-35 percent broken rice and sold them as deluxe rice. However, the availability in the market of high quality 0-15 percent broken rice is being well accepted by the middle income market because of taste and relatively competitive price. The 0-15 percent broken rice represented 10 percent of consumption in 2001 against 8 percent in 2000, while the over 35 percent broken rice represented about 18 percent of consumption. The imported brown rice milled locally remains small because importers wanted to maintain imports at a level they could uphold a quality standard to survive the keen competitive market.

In 2002, the large supply of imported rice on the market has driven down prices until the end of August. However, the persistent unstable situation is expected to drive up prices for the rest of the year. Up to the end of August 2002, the retail price on the urban markets of local rice has been between 215-300 F CFA/kg; imported rice of 16-35 percent broken rice is 200-250 F CFA/kg; Milled U.S. brown rice is 430-450 F CFA/kg; and deluxe rice between 500-600 F CFA/kg.

Market Price (F CFA/kg) in 2001 in Abidjan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Local Rice	283	289	296	298	307	311	305	303	301	290	285	284
Imported Rice*	240	239	239	242	244	247	246	242	245	239	241	239
Deluxe Rice	542	555	559	541	555	573	579	576	586	591	598	593

* Imported Rice for mass consumption

Source: Institut National de la Statistique (INS)

Retail Market Price (F CFA/kg) in 2002 in Abidjan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Local Rice	284	273	273	276	208	289	282	285
Imported Rice	223	208	203	201	200	205	206	207
Deluxe Rice	581	540	503	503	500	498	494	505

Source: INS

Trade

Rice imports increased in 2001 and are expected to continue to increase in 2002 due to the unstable political situation which is adversely affecting the supply of domestic foodstuffs. Imports for the first six months were 261,141 MT compared to 296,619 MT for the same period in 2001. However, anticipated large imports later this year will make up for the difference.

Types of Imported Rice in Jan-Jun, 2001 and 2002 (MT)

	2001	2002
Brown Rice	14,942	5,739
0-15% broken	1,551	1,681
16-35% broken	220,640	187,128
Over 35% broken*	59,486	66,595
Total	296,619	261,143

* A larger proportion is 100 percent broken rice

Source: Statistiques du Commerce Extérieur de la Côte d'Ivoire.

Origin of Rice Imports (MT), Jan-Jun 2001 and 2002

	2001	2002
U.S.	15,668	6,046
China	84,166	29,026
Pakistan	76,353	5,208
Vietnam	33,662	3,986
Thailand	80,751	99,039
Taiwan	2,956	11,681
Egypt	2,993	225
Burma	0	63,581
India	0	41,291
Others	69	1,060
Total	296,619	261,143

Rice exports increased in 2001 and were 4,607 MT, consisting of 2,401 MT of brown rice mostly to Liberia (2,108); 791 MT of 16-35% broken rice mostly Liberia (305 MT) and Ghana (380 MT); and 1,406 MT of over 35% broken rice to Liberia (1,223 MT) and Ghana (180 MT). Exports are

estimated to fall in 2002 due to reduced local supply and the unstable political situation. Exports for the first 7 months in 2002 were 2,566 MT compared to 2,903 MT for the same period in 2001.

Asian rice continues to dominate the Ivorian market due to its competitive price. In 2001 and 2002, Thailand became Cote d'Ivoire's largest supplier surpassing China. It is the main import origin of over 35% broken rice, deluxe rice and a substantial proportion of 16-35% broken rice. The U.S. remains the only source of brown rice and also exports small quantities of other types of rice with exception of over 35 % broken rice.

The U.S. exports of brown rice in 2001 were 26,933 MT, with 18,000 MT of commercial sale and about 9,000 MT for Food for Progress monetization program. Sales in 2003 are expected to be 21,000 MT, all commercial sale. U.S. rice sales continue to be facilitated by the Supplier Credit Guarantee Program (SCGP). In 2003, expected food shortage resulting from the political crisis will strengthen case for food assistance and the request of about 15,000 MT of brown rice needed under Food for Progress monetization program.

Import Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Rice, Milled		
Time period	Jan-Dec	Units:	MT
Imports for:	2000		2001
U.S.	26834	U.S.	27815
Others		Others	
China	181740	China	158857
Thailand	88621	Thailand	160584
Pakistan	62592	Pakistan	91864
India	60	India	16555
Vietnam	72938	Vietnam	87315
Japan	3275	Benelux	66408
Taiwan	4000	Taiwan	8153
		Egypt	22909
Total for Others	413226		612645
Others not Listed	810		139
Grand Total	440870		640599

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Rice, Milled		
Time period	Jan-Dec	Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Liberia	352	Liberia	3636
Guinea	100	Ghana	809
Mali	240	Mali	80
Total for Others	692		4525
Others not Listed	12		82
Grand Total	704		4607

Stocks

Stocks level increased in 2001/2002 due to increased imports. However, stocks level are expected to fall in 2002/2003 due to expected increased consumption and a fall in domestic production.

Marketing

The number of legitimate rice importers increased from 13 in 2000 to 15 in 2001 with only six of them accounting for about 70 percent of total imports. For imported rice, importers worked down the local distribution system through a network of wholesalers and retailers. Concerning the distribution of local rice, small cottage mills ensure the processing of local paddy. The large industrial mills remain shut down because their operations are uncompetitive with both imported rice and its ability to deal with the small cottage mills. Moreover, some of these installations are completely destroyed because of the long

period of inactivity. Only one large mill buys a small quantity of milled local rice from cottage mills for polishing and packages it under a brand name for sale on the domestic market. In 2001/2002, about 540 MT of local rice was purchased for polishing.

Policy

Cote d'Ivoire is one of the seven West African countries chosen for the New Rice for Africa Initiative (NERICA) pilot project. NERICA is a new rice variety developed by WARDA (West Africa Rice Development Association) based on crosses between African rice (*Oryza glaberrima*) and Asian rice (*Oryza sativa*). It is supposed to be a new and unique opportunity for sustainable agricultural development in rainfed environments where most Africa's rice farmers earn a living. NERICA's potential include high yield, short growth cycle, weed competitive and resistance to major African pests and diseases.

Cote d'Ivoire produced 416 MT of nerica rice in 2001 and is expected to produce about 8,000 MT in 2002. According to PNR (Projet National Riz), the government's rice development agency, about 470 kg of nerica rice seeds was produced for distribution to farmers in 2002. The WARDA research center is located in Bouake, in the center of Cote d'Ivoire, a town controlled by mutiny soldiers. Prolonged duration of the political crisis will adversely affect research efforts.